DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-7 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter, which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Regarding claims 1-7 the limitation "said CPU not functioning as a trusted agent" is not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor, at the time the application was filed, has possession of the invention. The original disclosure does not have support for what the CPU is not functioning as. The limitation "said CPU not functioning as a trusted agent" is considered to be a negative limitation. Any negative limitation or exclusionary provision must have basis in the original disclosure. See MPEP § 2173.05(i).

Furthermore, applicant specification explicitly teaches that the CPU can function as an escrow service (see page 10, lines 18-19).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-3 and 5-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al (USPN 5794207) (Walker) in view of Weiss et al (USPN 5866889) (Weiss), and further in view of Rosen (USPN 5455407) (Rosen1) and further in view of Cotton et al (US 6076074)/Chang (US 5848400).

Re claim 1: Walker teaches an electronic funds transfer system comprising:

a) a central controller CPU in electronic communication over the Internet with system users and participating banks, said central controller CPU accessible by one or more system users engaged in a fund transfer transaction, the CPU programmed to process the on-line transaction, record and maintain an accounting of the transactions, communicate the transaction information to participating banks and system users, monitor on-line electronic funds transfers and to function

as an information conduit for processing the funds transfer transaction between system users accounts at participating banks (Figs. 2 and 13, col. 20, line 48 through col. 21, line 15);

b) means at each of buyers and sellers participating bank, in communication with the central controller CPU, for buyers and sellers of goods or services to establish electronic funds accounts linked to accounts in said participating banks (Figs. 2 and 13, col. 20, line 48 through col. 21, line 15),

c) a transaction processor module associated with said central controller CPU for processing interactive letters of credit, and establishing and releasing, encumbrances on electronic funds deposited in said electronics funds accounts as financial transactions are entered into and consummated, said transaction processor module acting on instructions from the first system user to pay identified obligations to another user of said electronic funds transfer system (Figs. 2 and 13, col. 20, line 48 through col. 21, line 15; col. 22, lines 1-20);

d) a central controller storage module associated with the central controller CPU capable of storing information regarding all electronic on-line transactions between the buyers, sellers and the participating banks (Figs. 2 and 13, col. 20, line 48 through col. 21, line 15), said central controller CPU being programmed to automatically balance electronic funds with their corresponding bank reserves throughout the system (Figs. 2 and 13, col. 20, line 48 through col. 21, line 15) ; wherein the buyer in each transaction has control over the specification of electronic funds to be encumbered, the funds once encumbered being restricted from access by the buyer with the exception of release to the seller in return for delivery of goods and services, unless released back to buyer by seller (Figs. 2 and 13, col. 20, line 48 through col. 21, line 15; col. 22, lines 1-20).

Walker does not explicitly teach said CPU not functioning as a trusted agent. Walker explicitly teaches the CPU establishes buyer account which either stores money transferred by the buyer ***or serves as a pointer to an account of the buyer outside the system (col. 21, lines 1-3)***. Therefore, it would have been obvious to one of ordinary skill in the art to omit this functionality (trusted agent) where the function is not desired or required. *Ex parte Wu* , 10 USPQ 2031 (Bd. Pat. App. & Inter. 1989). MPEP § 2144.04 (II).

Walker does not explicitly teach demand deposit account; wherein a single defined electronic representation of currency is established for use in all transactions in the system, said electronic representation of currency being purchased by said buyers from demand deposit accounts in said participating banks and deposited in said buyer's electronic funds account at the buyer's participating bank, said electronic representations of currency have an original monetary value tied to a selected actual currency for use within the entire electronic fund transfer system; and on a periodic basis, balancing funds with corresponding bank reserves and issuing reports of such transaction. However, Walker teaches establishing electronic funds accounts linked to accounts in said participating banks (col. 21, lines 1-3).

Weiss teaches establishing transaction accounts (electronic fund account) linked to demand deposit account in the same bank (col. 3, lines 5-11). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Walker to have such linked accounts so that the customer could access these accounts more easily.

Rosen1 teaches wherein electronic representations of currency purchased by said buyers from demand deposit accounts in said participating banks are deposited in said buyer's electronic funds account at buyer's participating bank, said electronic representations of currency have an

original monetary value tied to a selected actual currency (col. 1, lines 15-19; col. 4, lines 42-67). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Walker to include these features as taught by Rosen1. One would have been motivated to do so in order to utilize universally accepted electronic representations of money that can be exchanged as economic value by the buyers and sellers.

Cotton/Chang teaches on a periodic basis, balancing funds with corresponding bank reserves and issuing reports of such transaction (Cotton: col. 4, lines 28-41, col. 8, lines 18-22; Chang: col. 9, lines 3-25). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Walker to include these features, so that the net positions of the participating bank can be settled on a daily basis.

Walker in view of Weiss in view of Rosen1 in view of Cotton/Chang hereinafter referred to as "Modified Walker".

Re claim 2: Modified Walker teaches a new account module in communication with the central controller, said new account module accessible by users over the Internet, for qualifying new users and recording initial electronic representations of currency reserves deposited in support of electronic funds accounts at said participating bank (Rosen1: abstract; col. 3, lines 44-45).

Re claim 3: Modified Walker teaches voice or video communications capability between system users and the central controller CPU (Rosen1: col. 8, lines 12-23; col. 10, lines 41-43).

Re claim 5: Modified Walker teaches encryption, de-encryption and re-encrypting capabilities for recording and storing transaction records in a secure data storage facility, data stored for each transaction being accessible only by the participants of the transaction and an authorized operator of the electronic funds transfer system (Rosen1: col. 8, lines 12-23;col. 3, lines 1-5).

Re claim 6: Modified Walker teaches that the system is accessible by a buyer and seller communicating therewith over the Internet using the central controller CPU as an intermediary, the central controller CPU providing information services, a data link between users, record financial transactions, funds encumbrances and unencumbrancing thereof and to reconcile funds transfers on completion of a transaction to the satisfaction of the buyer and seller (Walker: Figs. 2 and 13, col. 20, line 48 through col. 21, line 15; col. 22, lines 1-20).

Re claim 7: Modified Walker teaches wherein electronic funds encumbered by a first buyer for the benefit of a first seller can be re-encumbered by said first seller for the benefit of one or more second sellers or funds providers to which said first seller owes a financial obligation, such that when the transaction between the first buyer and the first seller is completed and the encumbrance by the first buyer on first buyer funds is released, the released funds are automatically transferred, pursuant to instructions of first seller, to such one or more second sellers or funds providers, and prior sellers to said second sellers as so instructed by such participants electronically within the system (Rosen1: col. 5, lines 22-43; col. 8, lines 24-29).

Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker in view of Weiss in view of Rosen1 as applied to claims 1 and 3 above, in view of Rosen2 (USPN 5557518) ("Rosen2").

Re claim 4: Modified Walker does not explicitly teach electronic and person assisted dispute resolution and customer support services. Rosen2 teaches electronic and person assisted dispute resolution and customer support services (col. 2, lines 38-41; col. 9, lines 41-43; col. 28, lines 39-67). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Walker to include this step. One would have been motivated to do so in order to resolve disputes arising from the transaction between the buyer and seller.

Response to Arguments

Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Rosen (USPN 5453601 and 5453601) teach electronic monetary system.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to OLABODE AKINTOLA whose telephone number is (571)272-3629. The examiner can normally be reached on M-F 8:30AM -5:00PM.

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

OA

/Hani M. Kazimi/
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